



CITY OF LAS VEGAS
OFFICE OF BUSINESS DEVELOPMENT

THE URBAN RENAISSANCE

NEWSLETTER

2 New Canyon Club Arriving

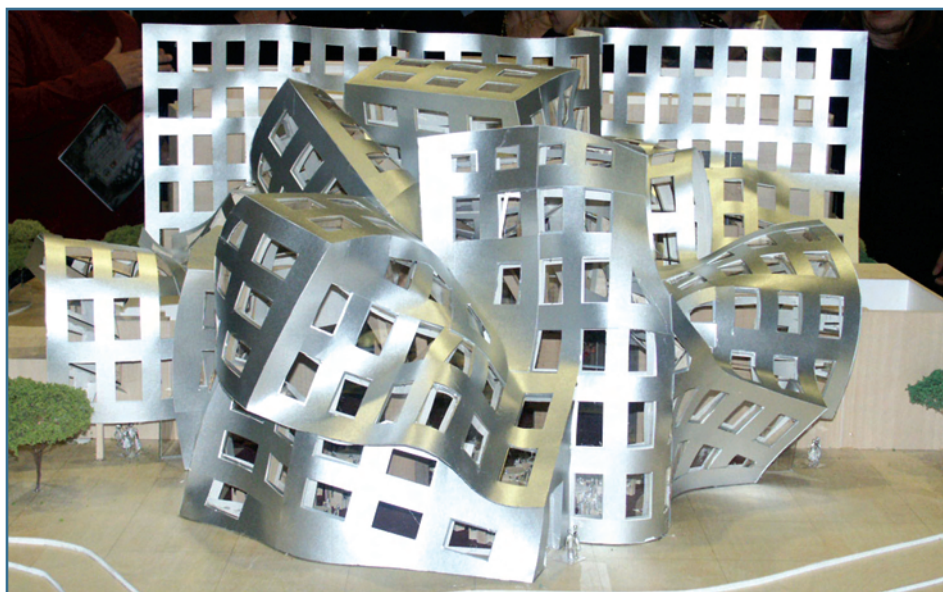
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VOLUME II • 2007

Frank Gehry-Designed Brain Institute Breaks Ground in Downtown Las Vegas



Model of the Lou Ruvo Brain Institute, to be built in downtown Las Vegas.

The Lou Ruvo Brain Institute, designed by world-renowned architect **Frank Gehry**, officially broke ground on Feb. 9, 2007, at an area known as **Union Park** in downtown Las Vegas. Trendsetting in design and practice, the institute will lead the fight against debilitating neurodegenerative diseases. Headed by Dr. Zaven Khachaturian, and supported by internationally-acclaimed researchers, the Lou Ruvo Brain Institute will focus on the research and treatment of Alzheimer's, Huntington's, Parkinson's, ALS (Lou Gehrig's disease) and memory disorders.

(see "Frank Gehry" page 2)

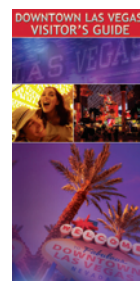
New Downtown Visitor's Guide Published

The first visitor guide exclusively devoted to promoting the downtown Las Vegas area has been produced and published by the city of Las Vegas **Office of Business Development**.

This 30-page guide targets local residents and visitors alike, providing details on downtown hot spots, casinos, museums, attractions, restaurants, wedding chapels and more. Easy-to-read maps are located at the front of this glossy booklet. A short history of Las Vegas and some interesting fun facts help round out the publication.

This free publication will be circulated throughout the Las Vegas Valley, including locations on the Las Vegas Strip, through a professional distribution service. Guides will also be available at key events.

The guide can be viewed on the city's Web site at www.lasvegasnevada.gov/obd by scrolling down the right-hand column to the section labeled "Publications & Videos" and clicking on "Downtown Las Vegas Visitor's Guide." In addition, copies can be obtained at the Office of Business Development.



Frank Gehry *(continued from page 1)*

The institute will open and operate an outpatient treatment and research institute on land deeded to **Keep Memory Alive, the Foundation for the Lou Ruvo Brain Institute** by the city of Las Vegas. The institute consists of approximately 67,000 square feet, including 13 examination rooms, offices for health care practitioners and researchers, a *Museum of the Mind*, a community auditorium and a Wolfgang Puck café.

The Lou Ruvo Brain Institute is one of several developments planned by the city's **Redevelopment Agency** as part of its 61-acre Union Park development. Other projects being created and planned for this site include the over 1 million-square-foot **World Jewelry Center**, the 2,200-seat **Smith Center for the Performing Arts**, and numerous other commercial and residential projects.



World-renowned architect Frank Gehry addresses the crowd that turned out for the Lou Ruvo Brain Institute ground-breaking ceremonies.

HOLDING FOUR QUEENS, LAS VEGAS BUSINESSMAN BETS \$20 MILLION

Addition of Canyon Club Brings New Energy and Live Music to Downtown Icon



A glimpse of the interior of the new Canyon Club.

Since acquiring the **Four Queens Hotel & Casino** three years ago, local businessman **Terry Caudill** has invested over \$20 million in the historic downtown property. Having remodeled its guestrooms and public areas, added new dining options, refreshed the casino floor and upgraded its gaming machines, Caudill recently announced the latest achievement --- the anticipated spring 2007 opening of the **Canyon Club**.

Housed in 10,000 square feet accessible through the Four Queens hotel lobby or directly from Casino Center Boulevard, the downtown Vegas Canyon Club will serve dinner and offer live entertainment nightly including dance bands, comedians and nationally-known acts.

The city of Las Vegas' **Redevelopment Agency** has assisted the Canyon Club through its **Visual Improvement Program (VIP)**. The VIP aids in upgrading commercial properties by

Caudill and company are working with **Lance Sterling**, who successfully launched the House of Blues at the Mandalay Bay and who reenters the market with the Las Vegas version of his Los Angeles nightspot, the Canyon Club.

offering a financial rebate for qualified exterior improvement costs.

"The Four Queens has been a downtown Vegas icon for decades," said Caudill. "When I bought it, I knew the property needed added excitement and a little freshening to regain its luster and stay competitive in the market place. The addition of the Canyon Club goes a long way in helping to achieve those goals."

The Canyon Club is one of several nightclubs and entertainment venues that have recently opened in the downtown Las Vegas area as part of this urban core's ongoing revitalization renaissance.

Down with Crime!

Downtown Las Vegas is experiencing a drop in its crime rate. The crime rate in 2006 decreased over six percent from the previous year, the Las Vegas Metropolitan Police Department reported.

Economic Indicators

EMPLOYMENT ACTIVITY ⁽¹⁾

Indicator	Clark County	Las Vegas
Unemployment Rate*	4.0%	4.0%
New Jobs*	18,348	4,950
Total Employment	926,204	249,890
Goods Producing		
Natural Resources & Mining	510	52
Construction	112,052	32,467
Manufacturing	27,467	7,150
Services Producing		
Trade, Transportation & Utilities	161,292	42,413
Information	11,851	3,541
Financial Activities	50,650	19,553
Professional & Business Services	117,289	39,722
Education & Health Services	109,184	35,935
Leisure & Hospitality	278,168	53,012
Other Services	20,519	7,522
Government	36,294	8,065
Unknown/Other	928	459

Note: Employment is establishment-based (by place of work) and includes multiple job holders.

This data is not seasonally adjusted.

* Estimated for Las Vegas.



TOURISM ACTIVITY

VISITOR VOLUME ⁽²⁾	October	November	December	Q4, 2006
Las Vegas Valley	3,384,978	3,115,284	3,054,291	9,554,553
% CHANGE FROM PRIOR YEAR*:				
Las Vegas Valley	2.5%	0.6%	-0.6%	0.9%
GAMING REVENUE ⁽³⁾	October	November	December	Q4, 2006
Strip	\$532,192,000	\$642,430,000	\$609,976,000	\$1,784,598,000
Downtown	\$59,697,000	\$53,681,000	\$48,630,000	\$162,008,000
Boulder Strip	\$88,379,000	\$82,181,000	\$67,759,000	\$238,319,000
Las Vegas MSA**	\$680,268,000	\$778,292,000	\$726,365,000	\$2,184,925,000
Clark County	\$889,908,000	\$989,645,000	\$908,626,000	\$2,788,179,000
% CHANGE FROM PRIOR YEAR*:				
Strip	-5.6%	22.4%	23.4%	14.4%
Downtown	-1.7%	-1.7%	-1.8%	-1.7%
Boulder Strip	13.6%	-1.7%	20.1%	10.2%
Las Vegas MSA**	-3.1%	17.4%	21.0%	12.2%
Clark County	0.7%	16.9%	19.1%	12.4%

* Q4, 2006 percentage changes are measured against Q4, 2005 and will not necessarily equal the simple average of percentage changes by month.

** Las Vegas MSA, as defined by the Las Vegas Convention and Visitors Authority, is comprised of the Strip, Downtown and the Boulder Strip.

BUSINESS LICENSE ACTIVITY ⁽⁴⁾

Jurisdiction	Licenses Issued	Total Active Licenses
Unincorporated Clark County	4,983	54,229
Henderson	906	12,293
North Las Vegas	432	n/a
Las Vegas	1,405	38,449
RDA (Included in Las Vegas)	215	6,746
Clark County*	7,726	104,971

* Excludes cities of Boulder City and Mesquite.

Real Estate Indicators

FOR-SALE ATTACHED & DETACHED RESIDENTIAL PROJECTS ⁽⁵⁾

ACTIVE PROJECTS	Projects	Total Units	Units Unsold	Q4 Sales	Avg. Unit Price*	Avg. Price/sf*
Unincorporated Las Vegas	267	60,639	25,801	2,653	\$379,017	\$209
Henderson	50	15,861	4,028	514	\$390,438	\$206
North Las Vegas	82	14,970	5,046	823	\$340,363	\$163
Las Vegas**	72	10,525	3,887	551	\$431,499	\$236
RDA (Included in Las Vegas)	6	3,292	2,056	100	\$673,254	\$565
Las Vegas Valley	471	101,995	38,762	4,541	\$394,498	\$216

PROPOSED PROJECTS	Projects	Total Units Planned	Single Family Units	Multi-Family Units	SF/MF Units Mixed
Unincorporated Las Vegas	274	53,313	21,782	2,349	29,182
Henderson	80	14,400	4,194	2,305	7,901
North Las Vegas	58	8,653	2,420	648	5,585
Las Vegas	69	12,737	3,449	1,523	7,765
RDA (Included in Las Vegas)	12	4,670	60	-	4,610
Las Vegas Valley	493	93,773	31,905	6,825	55,043

* Average price and price per sf are averaged over Q4 minimum selling prices and weighted by Q4 units sold.

** Excluding the RDA, the Las Vegas average minimum price and average price per sf are \$387,623 / \$199.

Note: *Active* defined as projects having sales this quarter, or having unsold units.

APARTMENT PROJECTS BY TYPE ⁽⁶⁾

Jurisdiction	Type	Expected Completion					
		2007		2008		2009	
		Projects	Units	Projects	Units	Projects	Units
Unincorporated Las Vegas	Affordable	-	-	-	-	-	-
	Age-Restricted	1	304	-	-	-	-
	Affordable & Age Restricted	2	338	-	-	-	-
	Conventional	5	1,207	2	713	1	168
	Total	8	1,849	2	713	1	168
Henderson	Affordable	-	-	-	-	-	-
	Age-Restricted	-	-	-	-	-	-
	Affordable & Age Restricted	-	-	-	-	-	-
	Conventional	1	390	6	2,430	-	-
	Total	1	390	6	2,430	0	0
North Las Vegas	Affordable	1	176	-	-	-	-
	Age-Restricted	-	-	-	-	-	-
	Affordable & Age Restricted	-	-	-	-	-	-
	Conventional	3	838	2	1,035	4	1,672
	Total	4	1,014	2	1,035	4	1,672
Las Vegas	Affordable	1	60	-	-	-	-
	Age-Restricted	-	-	-	-	-	-
	Affordable & Age Restricted	-	-	-	-	-	-
	Conventional	2	795	4	1,474	2	379
	Total	3	855	4	1,474	2	379
RDA (Included in Las Vegas)	Affordable	-	-	-	-	-	-
	Age-Restricted	-	-	-	-	-	-
	Affordable & Age Restricted	-	-	-	-	-	-
	Conventional	-	-	-	-	-	-
	Total	0	0	0	0	0	0
Las Vegas Valley	Affordable	2	236	-	-	-	-
	Age-Restricted	1	304	-	-	-	-
	Affordable & Age Restricted	2	338	-	-	-	-
	Conventional	11	3,230	14	5,652	7	2,219
	Total	16	4,108	14	5,652	7	2,219

Note: *Affordable* is subsidized housing under Section 42 of the IRS tax code. *Age Restricted* is senior housing, generally age 55 years and older.

PROPOSED APARTMENT UNITS BY QUARTER ⁽⁶⁾

Jurisdiction	Q1'07	Q2'07	Q3'07	Q4'07	2008-2009
Unincorporated Las Vegas	272	950	527	100	881
Henderson	-	-	-	390	2,430
North Las Vegas	176	340	-	498	2,707
Las Vegas	60	416	379	-	1,853
RDA (Included in Las Vegas)	-	-	-	-	-
Las Vegas Valley	508	1,706	906	988	7,871

Real Estate Indicators, continued

APARTMENT RENTS & VACANCIES ⁽⁶⁾

Jurisdiction	Avg. Monthly Rent	Avg. Vacancy
Unincorporated Las Vegas	\$881	5.9%
Henderson	\$957	5.7%
North Las Vegas	\$842	6.4%
Las Vegas	\$880	6.0%
RDA (Included in Las Vegas)	\$665	5.2%
Las Vegas Valley*	\$850	6.0%

* Direct rent and vacancy rates weighted by units by jurisdiction.

FOR-LEASE COMMERCIAL EMPLOYMENT ⁽⁷⁾

RETAIL EMPLOYMENT	Existing	Under Const.	Planned
Unincorporated Las Vegas Valley	28,683	2,949	2,536
Henderson	13,685	229	-
North Las Vegas	5,167	1,251	2,111
Las Vegas	28,041	881	469
RDA (Included in Las Vegas)	875	-	111
Las Vegas Valley	75,576	5,310	5,116

OFFICE EMPLOYMENT	Existing	Under Const.	Planned
Unincorporated Las Vegas Valley	82,183	10,734	14,376
Henderson	21,193	926	3,550
North Las Vegas	1,980	612	960
Las Vegas	66,620	1,990	837
RDA (Included in Las Vegas)	13,403	1,445	-
Las Vegas Valley	171,976	14,262	19,724

INDUSTRIAL EMPLOYMENT	Existing	Under Const.	Planned
Unincorporated Las Vegas Valley	86,122	2,729	7,210
Henderson	14,540	1,303	189
North Las Vegas	28,609	1,555	600
Las Vegas	17,379	-	-
RDA (Included in Las Vegas)	9,123	-	-
Las Vegas Valley	146,650	5,587	7,998

FOR-LEASE COMMERCIAL INVENTORY ⁽⁷⁾

	Projects	Total Existing Space (sf)	Vacancy (%)	Average Rent (\$)	Absorption (sf)	# of Forward Supply Proj.*	Under Const. (sf)	Planned (sf)
RETAIL INVENTORY								
Unincorporated Las Vegas	89	13,304,289	3.0%	\$1.64	39,211	9	1,367,629	1,176,300
Henderson	40	6,284,287	2.0%	\$2.08	280,363	2	105,090	90,700
North Las Vegas	17	2,412,113	3.6%	\$2.44	39,557	8	584,227	985,451
Las Vegas	73	13,046,106	3.3%	\$1.40	104,415	5	410,000	218,410
RDA (Included in Las Vegas)	4	437,392	10.0%	\$0.68	-	1	-	55,710
Las Vegas Valley	219	35,046,795	3.0%	\$1.66	463,546	24	2,466,946	2,470,861
OFFICE INVENTORY								
Unincorporated Las Vegas	459	16,211,656	11.3%	\$2.33	210,328	57	2,117,414	2,835,893
Henderson	109	4,235,866	12.4%	\$2.53	179,409	12	185,030	709,588
North Las Vegas	21	474,298	27.0%	\$2.55	16,227	9	146,600	229,995
Las Vegas	316	12,440,501	6.3%	\$2.44	207,688	7	371,600	156,326
RDA (Included in Las Vegas)	60	2,458,402	4.6%	\$2.21	13,236	1	265,000	-
Las Vegas Valley	905	33,362,321	9.7%	\$2.39	613,652	85	2,820,644	3,931,802
INDUSTRIAL INVENTORY								
Unincorporated Las Vegas	1,481	49,457,841	4.2%	\$0.85	780,914	66	1,567,269	4,140,412
Henderson	271	8,143,489	1.8%	\$0.85	50,164	7	729,647	105,600
North Las Vegas	451	16,664,098	5.6%	\$0.63	170,292	8	905,630	349,363
Las Vegas	414	9,983,526	4.3%	\$0.78	70,812	1	6,953	-
RDA (Included in Las Vegas)	234	5,155,036	2.7%	\$0.84	16,248	-	-	-
Las Vegas Valley	2,617	84,248,954	4.3%	\$0.78	1,072,182	82	3,209,499	4,595,375

Note: Commercial inventories are based on anchored retail buildings, office buildings within office centers with at least 10,000 square feet of usable space, and industrial buildings with roll-up doors.

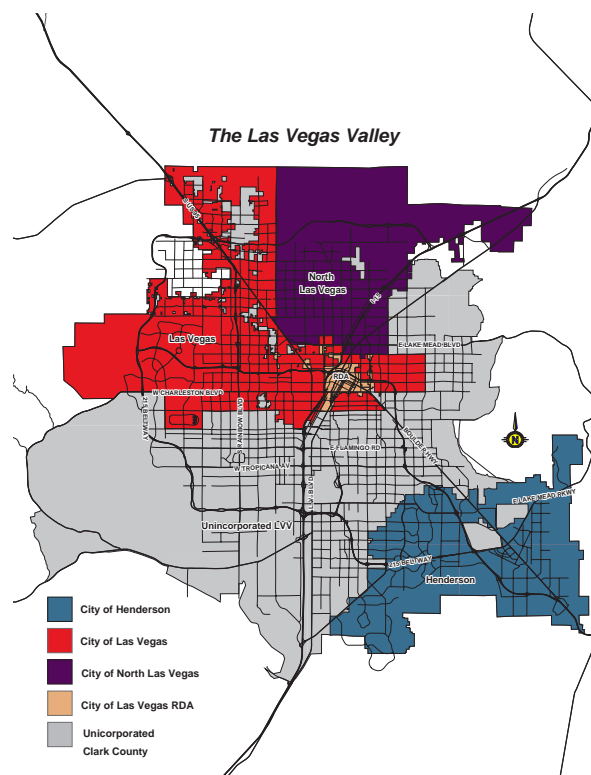
* Forward supply is a combination of space under construction in a quarter and space planned to begin construction within the next four quarters.

Real Estate Indicators, continued

BUILDING PERMITS / VALUE ⁽⁸⁾						
Jurisdiction	Category	Single Family	Multi-Family	Commercial	Hotel/Motel	Total
Unincorporated Clark County	Units	1,461	1,130	n/a	454	3,045
	Permits	1,461	51	103	15	1,630
	Valuation	\$155,987,568	\$164,873,823	\$260,864,454	\$65,305,800	\$647,031,645
	Certificates of Occupancy					6,247
Henderson	Units	468	213	n/a	0	681
	Permits	468	22	18	0	508
	Valuation	\$63,814,300	\$16,996,007	\$13,751,772	-	\$94,562,079
	Certificates of Occupancy					1,406
North Las Vegas	Units	318	397	n/a	0	715
	Permits	318	29	28	0	375
	Valuation	\$44,136,625	\$24,298,827	\$30,747,265	-	\$99,182,717
	Certificates of Occupancy					83*
Las Vegas	Units	476	457	n/a	0	933
	Permits	476	4	40	0	520
	Valuation	\$64,425,957	-	\$163,286,302	-	\$227,712,259
	Certificates of Occupancy					966
RDA (Included in Las Vegas)	Units	-	-	n/a	-	0
	Permits	-	-	1	-	1
	Valuation	-	-	\$210,000	-	\$210,000
	Certificates of Occupancy					0
Clark County**	Units	2,723	2,197	n/a	454	5,374
	Permits	2,723	106	189	15	3,033
	Valuation	\$328,364,450	\$206,168,657	\$468,649,793	\$65,305,800	\$1,068,488,700
	Certificates of Occupancy					8,702

* North Las Vegas records non-residential certificates of occupancy, only.

** Excludes cities of Boulder City and Mesquite.



Sources:

- (1) Nevada Department of Employment, Training and Rehabilitation; U.S. Census Bureau; City of Las Vegas.
- (2) Las Vegas Convention and Visitors Authority, Fremont Street Experience.
- (3) Nevada State Gaming Control Board.
- (4) County and municipal governments.
- (5) Restrepo Consulting Group LLC (RCG), Hanley Wood Market Intelligence.
- (6) RCG, UNLV Center for Business and Economic Research, CB Richard Ellis.
- (7) RCG, Colliers International.
- (8) County and municipal governments, RCG.

Disclaimer: The information furnished by Restrepo Consulting Group (RCG) LLC in its quarterly reports to the city under this contract has been obtained from sources RCG deems reliable and is submitted subject to errors, omissions and changes. Although Restrepo Consulting Group LLC has no reason to doubt its accuracy, RCG does not guarantee it.



David Bratcher

Employee Of The Month

David Bratcher, redevelopment officer for the **Redevelopment Agency (RDA)** and **city of Las Vegas Office of Business Development (OBD)**, received the city's Employee of the Month Award for February 2007.

Bratcher was recognized for his outstanding efforts in coordinating the city's **Fast Track Program**. The fast track program assists business owners with expediting city entitlements and permitting.

He joined the RDA/OBD in April 2005, heading up the Fast Track Program, which assists with the redevelopment of properties located in designated downtown Las Vegas areas. Businesses he has assisted include: **Allure Condominiums, Downtown Cocktail Lounge, Expertise Cosmetology Institute, The Griffin, Hennessey's Tavern, Hogs & Heifers, the juhl development, Kabob Korner and Urban Lofts.**

Bratcher formerly worked for the city of Las Vegas Planning and Development Department for seven years.

Vegas Grand Prix Roars Into Downtown Las Vegas



Downtown Las Vegas played first-time host for the **2007 Vegas Grand Prix** over Easter weekend, April 6 – 8. An estimated 100,000 locals and visitors turned out for the three-day event, according to Esther Carter, a special events coordinator for the city of Las Vegas.

During the event, the city's **Office of Business Development** feted local and New York-based business developers interested in downtown development in a special hospitality tent situated near the races' starting line.



Bragging Rights

In a town known for superlatives, Las Vegas has yet another bragging right – home to the world's largest "pint of beer." The giant homage to brew lovers sits at the southwest corner of Las Vegas Boulevard and Fremont Street, directly above Hennessey's Tavern. It houses the new **Brass Lounge**, which offers jazz and live entertainment. The gargantuan glass of bubbly sits immediately across Las Vegas Boulevard from **Fremont East**, an entertainment district being developed by the Las Vegas **Redevelopment Agency** and property owners.

Las Vegas Rated #1 for Retail Growth

Las Vegas ranks number one as the real estate market with the greatest office and retail potential in 2007, according to the publication *Western Real Estate Business*.

The *2007 National Retail Report*, developed by the real estate investment brokerage company, **Macus & Millichap**, concurs.

According to this report, Las Vegas is expected to lead the nation in economic expansion this year.

Additionally, the Marcus & Millichap report stated that a significant portion of retail spending in Las Vegas comes from tourists who continue to flock here, supporting an expected seven percent jump in retail spending this year.

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Special Thanks

Mayor Oscar B. Goodman
Mayor Pro Tem Gary Reese
Councilman Larry Brown
Councilman Steve Wolfson
Councilwoman Lois Tarkanian
Councilman Steven D. Ross
Councilwoman Brenda Williams (Interim)
City Manager Douglas A. Selby

Nevada's First African-American Owned School of Cosmetology Celebrates

Expertise Cosmetology Institute is Nevada's first and, to date, only African-American owned school of cosmetology. The campus was constructed under a joint development agreement with the city of Las Vegas **Redevelopment Agency**. The school's founders recently celebrated the development of the new 11,000-square-foot training facility, which is located at

1911 Stella Lake St. in Las Vegas' Enterprise Business Park. Institute personnel assist students in developing the skills necessary to obtain employment in a variety of cosmetology fields. For further information, visit their Web site at www.expertisebeauty.com or call (702) 636-8686.



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OFFICE OF BUSINESS DEVELOPMENT
**THE URBAN
RENAISSANCE**
NEWSLETTER

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